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IFTM University, Moradabad

MCQs (BHMCT 206)

May 18, 2020

BHMCT 206
HOTEL ACCOUNTING
SET 1

1. The main objective of Book-keeping is :
(A) Complete recording of transactions
(B) Ascertainment of Financial effect on the business
(C) Analysis and interpretation of data)
(D) 'A' 'B' (Both 'A' and 'B')
2. In accounts recording is made of:
(A) Only financial transactions
(B) Only non-financial transactions
(C) Financial and non-financial transactions
(D) Personal transactions of the proprietor
3. ` 5,000 paid as rent of office premises is an/a:
(A) Event
(B) Transaction
(C) Both 'A' and 'B'
(D) None of these
4. Which of the following transactions is not of financial character:
(A) Purchase of goods on credit
(B) Purchase of a building
(C) Payment of salaries)
(D) Strike by employees
5. Internal users of accounting information are:
(A) Creditors
(B) Potential investors
(C) Managers
(D) Researchers
6. External users of accounting information are:
(A) Researchers
(B) Government
(C) Tax authorities
(D) All of the above

7. On 31st December, 2010 Ashok Ltd. purchased a machine from Mohan Ltd. for ` 1,75,000.

This is :

- (A) A transaction
- (B) An event
- (C) Both a transaction as well as an event
- (D) None of these

8. Management Accounting:

- (A) Is a clerical work
- (B) Is accounting for future
- (C) Is a recording technique of the management related transactions?
- (D) Is an analysis of past business activities

9. Which of the following is not the limitation of accounting?

- (A) Evidence in legal matters
- (B) Incomplete information
- (C) Based on accounting conventions
- (D) Lack of qualitative information

10. At the end of the financial year after sale of goods worth ` 2,00,000, there was a closing stock of ` 10,000. This is:

- (A) An event
- (B) A transaction
- (C) Both event as well as transaction
- (D) None of these

11. Which of the following is not a sub-field of accounting?

- (A) Management Accounting
- (B) Cost Accounting
- (C) Financial Accounting
- (D) Book-keeping

12. All of the following are the functions of accounting except :

- (A) Decision-making
- (B) Measurement
- (C) Forecasting
- (D) Posting

13. On 1st September Kashyap paid rent ` 2,000. Under which form it will be classified :

- (A) An event
- (B) A transaction
- (C) an event and also as a transaction
- (D) Neither a transaction, nor an event

14. On what basis the financial position of business is ascertained ?

- (A) Records prepared under the process of Book-keeping
- (B) Trial Balance
- (C) Accounting Report
- (D) None of the above

15. On March, 2012 after sale of goods worth ` 5,000 he is left with the closing stock of ` 8,000.

This is :

- (A) An event
- (B) A transaction

- (C) A transaction as well as an event
- (D) Neither a transaction nor an event

16. Who invented the double entry system ?

- (A) Marshall
- (B) Karl Pearson
- (C) J.R. Batliboi
- (D) Lucas Pacioli

17. Accounting is :

- (A) a Science
- (B) an Art
- (C) an Art and Science both
- (D) None of these

18. Book-keeping was firstly introduced in :

- (A) England
- (B) America
- (C) India
- (D) Italy

19. Who is the user of Accounting information ?

- (A) Owners
- (B) Management
- (C) Investor
- (D) All of the these

20. Which of the following is not a sub-field of Accounting ? (CA, CPT June, 2012)

- (A) Financial Accounting
- (B) Book-keeping
- (C) Management Accounting
- (D) Cost Accounting

21. Which of the following is not a limitations of Accounting ? (Commerce Olympiad, 2011)

- (A) Based on Accounting Convention
- (B) Evidence in Legal Matters
- (C) Incomplete Information
- (D) Omission of Qualitative Information

22. Accounting is :

- (A) Accounting : A Profession
- (B) Accounting : A Social Force
- (C) Accounting : A Service Activity
- (D) All of the above

[ANSWER KEY TO SET 1: 1. (D), 2. (A), 3. (B), 4. (D), 5. (C), 6. (D), 7. (C), 8. (C), 9. (A), 10. (A), 11. (D), 12. (D), 13. (B), 14. (C), 15. (A), 16. (D), 17. (C), 18. (D), 19. (D), 20. (B), 21. (B), 22. (D)]

SET 2

1. Goods means :

- (A) Commodity to be bought and sold
- (B) Commodity to be used as an asset

- (C) Commodity to be bought but not to be sold
- (D) None of these

2. Which of the following is not a current asset ?

- (A) Prepaid Expenses
- (B) Debtors
- (C) Furniture
- (D) Bills Receivable

3. Which of the following is not a tangible asset ?

- (A) Motor Car
- (B) Goodwill
- (C) Stock
- (D) Building

4. Trade discount is :

- (A) Allowed at the time of receiving payment
- (B) Allowed at the time of sale of goods
- (C) Both 'A' and 'B'
- (D) Allowed in all the cases

5. Cash discount is :

- (A) Allowed at the time of sale of goods
- (B) Received at the time of making payment
- (C) Received at the time of purchase of goods
- (D) All the above

6. Working Capital is %

- (A) Current Assets – Current Liabilities
- (B) Current Assets + Current Liabilities
- (C) Current Assets + Fixed Assets
- (D) None of these

7. Current Assets is %

- (A) Land
- (B) Building
- (C) Machinery
- (D) Stock

8. Current Liabilities is %

- (A) Creditors
- (B) Debentures
- (C) Long-term Loan
- (D) None of these

9. Building A/c is related to %

- (A) Personal A/c
- (B) Real A/c
- (C) Nominal A/c
- (D) None of these

10. Interest A/c is %

- (A) Nominal A/c
- (B) Real A/c

- (C) Personal A/c
- (D) None of these

11. Non-current Assets is %

- (A) Building
- (B) Stock
- (C) Debtors
- (D) Prepaid Expense

12. Arun is a Book-seller, which item will be goods for his business ?

- (A) Purchase of Computer
- (B) Purchase of Fan
- (C) Purchase of Furniture
- (D) Purchase of Stationery

13. Repair charge of office old furniture is %

- (A) Revenue Expense
- (B) Capital Expense
- (C) Both Revenue & Capital Expense
- (D) None of these

14. Capital profit is profit %

- (A) Profit & Loss A/c of Business
- (B) Sale of fixed asset
- (C) Sale of goods
- (D) None of these

15. Salary A/c is related to %

- (A) Personal A/c
- (B) Real A/c
- (C) Nominal A/c
- (D) Capital A/c

16. Investment A/c is related to %

- (A) Personal A/c
- (B) Real A/c
- (C) Nominal A/c
- (D) None of these

17. Debit word is %

- (A) French Language
- (B) Latin Language
- (C) Hindi Language
- (D) English Language

18. Is given to businessman when clear his payment before certain period ?

- (A) Cash Discount
- (B) Special Discount
- (C) Trade Discount
- (D) None of these

19. Formula of Liquid Assets %

- (A) Current Assets – Stock + Prepaid Expense
- (B) Current Assets – Current Liabilities

- (C) Current Assets + Stock + Prepaid Expense
- (D) None of these

20. Long-term Liabilities %

- (A) Debentures
- (B) Bills Payable
- (C) Creditors
- (D) Outstanding Expenses

21. Capital Expense from %

- (A) Decrease Asset
- (B) Decrease Liabilities
- (C) Increase Asset
- (D) None of these

22. Expense on installation of new machinery %

- (A) Capital Expense
- (B) Capital Loss
- (C) Revenue Expense
- (D) Revenue Loss

[ANSWER KEY TO SRT 2: 1. (A), 2. (C), 3. (B), 4. (B), 5. (B), 6. (A), 7. (D), 8. (A), 9. (B), 10. (A), 11. (A), 12. (D), 13. (A), 14. (B), 15. (C), 16. (B), 17. (B), 18. (A), 19. (A), 20. (A), 21. (C), 22. (A)]

SET 3

1. Each 'T' account contains the exact amount owing to a supplier

- (A) Sales ledger
- (B) Purchases ledger**
- (C) General ledger
- (D) Cash book

2. The Trial balance

- (A) is a listing of all the general ledger account balances at a particular date.**
- (B) is a listing of all the assets and expenses at a particular date.
- (C) is a summary of all revenues and expenses at a particular date.
- (D) is a summary of cash inflows and cash outflows at a particular date.

3. Which of the following are Real accounts?

- I Land
- II Equipment
- III Creditors
- IV Cash

- (A) I and II only
- (B) I, II and III

(C) I, III and IV

(D) I, II and IV

4. Which of the following jobs check accounting in ledgers and financial statements?

(A) Financial

(B) Audit

(C) Management

(D) Budget Analysis

5. The process of accounting is needed to

I. take a holiday

II. assist in decision making

III. invest in start up of a business

IV. track money spent

(A) I, II and III

(B) I, II and IV

(C) I, III and IV

(D) II, III and IV

6. Which of the following describes the practical framework of bookkeeping?

(A) Classifying, recording and summarizing

(B) Reporting, analyzing and interpreting

(C) Classifying, analyzing and interpreting

(D) Recording, summarizing and reporting

ANSWER KEY TO SET 3:

Q. 1. (B) Purchases ledger

Q. 2. (A) is a listing of all the general ledger account balances at a particular date.

Q. 3. (D) I, II and IV

Q. 4. (B) Audit

Q. 5. (D) II, III and IV

Q. 6. (A) Classifying, recording and summarizing

SET 4

(a) In which order does the journal list transactions?

(i) Alphabetical

(ii) Decreasing

(iii) Increasing

(iv) Chronological

(b) Which of the following book is maintained in a hotel?

(i) Guest Weekly Bill

(ii) Visitors' Tabular Ledger

(iii) City Ledger

(iv) All of the above

- (c) Which is the revenue producing department in a hotel?
(i) Front Office (ii) Back Office
(iii) Both (i) and (ii) (iv) None of the above
- (d) Which of the following is not a Real Account?
(i) Cash A/c (ii) Investments A/c
(iii) Outstanding rent A/c (iv) Purchases A/c
- (e) Value of goods withdrawn by the proprietor for his personal use should be credited to ____
(i) Capital A/c (ii) Sales A/c
(iii) Drawings A/c (iv) Purchases A/c
- (f) VTL is prepared to:
(i) Make a comprehensive record of all guests in a hotel
(ii) Make a comprehensive record of all residential guests in a hotel
(iii) Both (i) and (ii)
(iv) None of the above
- (g) M/s Stationery Mart will debit the purchase of stationery to ____
(i) Purchases A/c (ii) General Expenses A/c
(iii) Stationery A/c (iv) None
- (h) Small items like, pencils, pens, files, etc. are written off within a year according to ____ concept.
(i) Materiality (ii) Consistency
(iii) Conservatism (iv) Realisation
- (i) Business enterprise is separate from its owner according to ____ concept.
(i) Money measurement concept (ii) Matching concept
(iii) Entity concept (iv) Dual aspect concept
- (j) Double entry book-keeping was started by
(i) F.W Taylor
(ii) Henry Fayol
(iii) Lucas Pacioli
(iv) Adam Smith
- (k) Posting of entries in tabular format is called:
(i) Tabular system (ii) Uniform system
(iii) Non uniform system (iv) All of the above
- (l) Cost concept basically recognizes ____
(i) Fair Market value (ii) Historical cost
(iii) Realisable value (iv) Replacement cost
- (m) Accounting is an:
(i) Art (ii) Science
(iii) Both (i) and (ii) (iv) None of the above
- (n) Which of the following is a type of hotel room rates?
(i) Corporate Rate (ii) Downtown Hotel
(iii) Motel Rate (iv) All of the above
- (o) Hotel rates are fixed by:
(i) 24 Hours basis (ii) Night stay basis
(iii) Check out time basis (iv) All of the above
- (p) Which of the following provide frame work and accounting policies so that the financial statements of different enterprises become comparable.
(i) Business Standards (ii) Accounting Standards
(iii) Market Standards (iv) None of the above
- (q) Which of the following factor is not considered while selecting accounting policies?
(i) Prudence (ii) Substance over form
(iii) Accountancy (iv) Materiality
- (r) Which of the following is called primary books of accounts:

- (i) Cash Book
 - (ii) Ledger
 - (iii) Both (i) and (ii)
 - (iv) None of the above
- (s) According to which concept, the proprietor pays interest on drawings
- (i) Accrual concept
 - (ii) Conservatism concept
 - (iii) Entity concept
 - (iv) Dual Aspect concept
- (t) The process of recording financial data upto trial balance is
- (i) Book keeping
 - (ii) Classifying
 - (iii) Summarising
 - (iv) Analyzing

KEY TO MCQs [SET 4]

| Question No. | Answer |
|--------------|---|
| (a) | (iv) Chronological |
| (b) | (iv) All of the above |
| (c) | (i) Front Office |
| (d) | (iii) Outstanding rent A/c |
| (e) | (iv) Purchases A/c |
| (f) | (ii) Make a comprehensive record of all residential guests in a hotel |
| (g) | (i) Purchases A/c |
| (h) | (i) Materiality |
| (i) | (iii) Entity concept |
| (j) | (iii) Lucas Pacioli |
| (k) | (i) Tabular system |
| (l) | (ii) Historical cost |
| (m) | (iii) Both (i) and (ii) |
| (n) | (i) Corporate Rate |
| (o) | (iv) All of the above |
| (p) | (ii) Accounting Standards |
| (q) | (iii) Accountancy |
| (r) | (iii) Both (i) and (ii) |
| (s) | (iii) Entity concept |
| (t) | (i) Book keeping |





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BCOM 604 INCOME TAX MCQs [SET 1] Note: The BOLD HIGHLIGHTED options are the correct answers. Q. 1: The Income from House Property is taxable in the hands of the individual even if property is not registered in his name _____. (a) When the property ...

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DHM 206

May 18, 2020

Accounts and Costing for Hospitality (DHM 206) SET 1 1. The main objective of Book-keeping is : (A) Complete recording of transactions (B) Ascertainment of Financial effect on the business (C) Analysis and interpretation of data (D) 'A' 'B' (Both 'A' and 'B') 2. In accounts ...

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